

**Fair Political Practices Commission**  
**MEMORANDUM**

**TO:** Chairman Getman, Commissioners Downey, Knox, Scott and Swanson

**FROM:** C. Scott Tocher, Counsel, Legal Division  
Luisa Menchaca, General Counsel

**DATE:** November 13, 2001

**SUBJECT:** Implementation of Proposition 34; Adoption of Regulation 18421.4 -  
Reporting Cumulative Amounts

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New provisions added to the Political Reform Act by Proposition 34 impose mandatory limits on contributions received by candidates for elective state office and by committees that make contributions to candidates for elective state office. At its June meeting, the Commission adopted Emergency regulation 18421.4 and made associated changes to campaign disclosure forms to implement the new provisions in the law. Regulation 18421.4 expired by operation of law in October and Commission staff proposes the Commission adopt a regulation permanently.

**PROPOSED REGULATION 18421.4 - REPORTING CUMULATIVE AMOUNTS**

At the May and June Commission meetings, the Commission authorized revisions to campaign disclosure forms to require reporting of information related to Proposition 34:

- ◆ Candidates for elective state office will be required to disclose the cumulative amount of contributions received, per election, from each contributor itemized on the candidate's campaign statement.<sup>1</sup>
- ◆ Candidates for elective state office who have accepted the voluntary expenditure limit for a particular election will be required to disclose at the end of each reporting period the total amount of expenditures that count toward the voluntary expenditure limit for that election.
- ◆ Recipient committees that make contributions to candidates for elective state office will disclose the cumulative amount of contributions made, per election, to each candidate.

Proposed regulation 18421.4 (Attachment A) implements the new disclosure requirements. Section 84211 specifies the content of campaign disclosure reports filed

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<sup>1</sup> The new reporting requirements will not affect contributions to or expenditures made by candidates for statewide elective office until November 6, 2002.

by candidates and committees. The prior emergency regulation provided that, in addition to the calendar year cumulative amounts required to be disclosed under section 84211, cumulative amounts per election had to be disclosed for contributions made to or received by candidates for elective state office. (Attachment B.) In response to public comment and because of the potential for confusion as to the scope of the requirements of the regulation, the Commission allowed the emergency regulation to expire and directed staff to redraft the regulation to clarify its requirements.

Subdivision (a) of the proposed regulation (Attachment A) sets forth the duties of a committee controlled by a candidate for elective state office. Such a committee must disclose the cumulative totals of contributions made *and* received for each election.

Subdivision (b) of the proposed regulation describes the duties of recipient committees, which disclose only the cumulative totals of contributions *made*.

Subdivision (c) of the proposed regulation sets out the disclosure, per election, of **total** expenditures by a state candidate who has accepted the voluntary expenditure limit. (This is the new Line 22 on the Form 460 Summary Page.) This disclosure is mandatory. The primary purpose for adding Proposition 34 related disclosure to the forms is to provide the public with some means of monitoring the contribution and expenditure limits. In addition, the disclosure may prevent the filing of erroneous enforcement complaints.

Subdivision (d) implements the delayed effective date for this law with respect to candidates for statewide elective office and their contributors.

***Staff recommends adoption of Regulation 18421.4.***